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SUBJECT: COMMERCIAL OUTREACH TRIP TO ST KITTS, PART TWO

Ref: A) Bridgetown 95,
B) Bridgetown 49,

¶11. (U) Summary: Poloffs conducted a week-long commercial outreach trip to St Kitts during diplomatic week February 18 to 22. Poloffs met with local business leaders, government finance and investment officers, and hosted two receptions for the local American business community, while promoting increased engagement among the private sector firms in St Kitts and laying the foundation for the development of a possible AmCham branch office. nd summary.

NEW SKIPA AGENCY BULLISH ON LOCAL BUSINESS INVESTMENT

¶12. (U) Mrs. Shawna Lake, who heads the recently established St. Kitts Investment Promotion Authority (SKIPA), was bullish on investment opportunities on the islands. SKIPA, established in December, 2007 with the assistance of USAID, facilitates investment by locals and foreigners alike by serving as a "one stop shop" for all inbound investment, coordinating the investment procedures for St. Kitts and Nevis. At the time of the meeting, about 16 interested parties had approached SKIPA for advice on investment: mostly European, but also some locals and one U.S. Company. Lake welcomed the idea of possibly forming an AmCham in St Kitts and promised to provide Poloffs with information on American investment in St Kitts and Nevis.

MEETING WITH EASTERN CARIBBEAN CENTRAL BANK

¶13. (U) Governor of the Eastern Caribbean Central Bank, Sir K. Dwight Venner, and Managing Director Mrs. Jennifer Nero spoke about the activities of the ECCB, which is similar to the Federal Reserve, with additional responsibility for/jurisdiction over the banking system of its member states. The ECCB is headquartered in St. Kitts with offices in each of its member states and has a total of 250 employees. Sir Dwight indicated that he would like to see more US-based speakers come to the Eastern Caribbean region, suggested that this could be a great marketing tool for the AmCham as speakers come out to drive the message of entrepreneurship.

¶14. (U) Sir Dwight pointed out that the private sector in the OECS is a little behind Barbados. He noted that partnerships were occurring in non-traditional sectors of the economy, but at the same time lamented that there is a dearth of information verification and tabulation of accurate statistics. He noted that there is a program with the International Monetary Fund to raise the quality of statistics in the region, with the possibility of a regional statistics bureau. He also said that the ECCB is looking into tabulation of business statistics.

MEETING WITH MINISTRY OF HOUSING, AGRICULTURE & FISHERIES

¶15. (U) Mrs. Hermia Morton-Anthony, Permanent Secretary (PS) in the Ministry of Housing, Agriculture and Fisheries, expressed interest in professional training programs run by the USG, which they felt

would assist them in the development of agribusiness units in the Federation. They also expressed interest in training from FAS to help them export agro-processing products to the US. Ministry officials highlighted their partnership with the US Peace Corps through a workshop on meat preparation as well as other programs with the UNDP and IICA. The PS noted that while programs dealing with Youth at Risk are coordinated by the Ministry of Education, the Ministry of Agriculture administered "Project Strong" which provided social and vocational skills as well as internships at the Ministry.

MEETING WITH ST KITTS TOURISM OFFICIALS AND TOURISM ASSOCIATION

¶7. (U) St. Kitts and Nevis Government Tourism officials highlighted the development of eco-tourism and sports tourism opportunities and promotion of major cultural events in the US market. They added that they would appreciate getting assistance in tracking consumer trends in good and services as well as data collection and statistics. The president of the St Kitts Tourism Association, meanwhile, boasted a membership of 17 hotels and 60 allied members. He added that the Association will shortly undertake a membership drive to include guesthouses and smaller accommodation spots. The Association is also in a process of rejuvenation and restructuring. They are looking to expand their portfolio into non-traditional areas such as hotel marketing: something that has been largely ignored by the industry. He lamented that while US arrivals had increased; UK/European and Caribbean arrivals were down. He pointed out that the over-pricing of LIAT was at the centre in the decrease in arrivals from the region and he has been in contact with LIAT about the issue. He added that LIAT CEO, Mark Darby said that the region has to get used to high LIAT prices. He said that there are some small inter-island flights between the Federation, St. Maarten and Antigua but added that there was a need for increased capacity on these flights.

MEETING WITH ST. KITTS AND NEVIS CHAMBER OF COMMERCE

¶10. (U) Mrs. Wendy Phipps, president of the local chamber of commerce, highlighted the work of the Chamber, noting that the Chamber had about 140 members; with 60% categorized as SMEs. She added that the Chamber was also the Employers' representative in the Federation. She pointed out that the Federation hosted around 750 businesses; with this number fluctuating. Mrs. Phipps said that the Chamber welcomed special technical assistance on certain projects for its members, particularly in the area of manufacturing. The Chamber CEO also added that the Chamber hoped that there will be movement on the Caribbean Partners Initiative project to improve exchange of techniques and labor opportunities.

(U) Comment: This was a very successful trip as poloффs laid the ground work for future commercial outreach efforts, through meetings with key government officials involved in investment promotion as well as meetings with the local chambers of commerce. All of our interlocutors welcomed increased trade and investment, and were optimistic about the future economic prospects of St Kitts and Nevis. They also welcomed the possible establishment of a St Kitts and Nevis AmCham branch.

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